



**GRUNDY COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2002**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-118
December 23, 2003
www.auditor.mo.gov**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

December 2003

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Grundy, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Grundy County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Policies and procedures related to ambulance service billings and collections are not adequate. There are no written policies which address billing, collection, or write-off procedures. The ambulance service could not provide a summary report of patient billings and reconciliations are not performed between the ambulance service and the County Treasurer. The County Commission agreed with recommendations related to the ambulance service and stated they are working to improve policies and procedures.
- Concerns related to federal financial assistance included failure to prepare an accurate schedule of expenditures of federal awards.
- The county is experiencing a declining General Revenue Fund cash balance. Disbursements have exceeded revenues for the past several years. Although developing solutions to the county's financial problems will be difficult, the County Commission should take the necessary steps to improve the financial condition of the General Revenue Fund. The County Commission indicated they have been very concerned about the General Revenue Fund. They plan on putting a law enforcement sales tax issue on the April 2004 ballot, which they believe will stabilize the General Revenue Fund if the issue passes.

(over)

YELLOW SHEET

- Various budgetary and published financial statement concerns were noted including the lack of budgets for some county funds, budget amendment procedures, budgeting a 2003 deficit ending fund balance for the General Revenue Fund, and failure to include activity of some county funds in the annual published financial statements.
- Weaknesses were noted in the Prosecuting Attorney's accounting controls and procedures related to bad check monies including inadequate segregation of duties and failure to maintain a log of all bad check complaints filed. Concerns were also noted related to issuance of receipt slips, lack of documentation maintained for cash distributions and a large court ordered restitution account balance.
- The Sheriff maintains monies outside the county treasury including telephone commissions and monies received from snack sales. Concerns were also noted related to inadequate segregation of duties, timeliness of deposits, and inmate monies.

The audit also includes some matters related to county commission meeting minutes, the property tax system, and general fixed assets.

All reports are available on our website: www.auditor.mo.gov

GRUNDY COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Grundy County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Grundy County, Missouri, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Grundy County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2002 and 2001, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 12, 2003, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Grundy County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

June 12, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

| | |
|---------------------|-----------------------|
| Director of Audits: | Thomas J. Kremer, CPA |
| Audit Manager: | Peggy Schler, CPA |
| In-Charge Auditor: | Lori Bryant |
| Audit Staff: | Susan Fifer |
| | Andrea Paul |
| | Kelly Petree |
| | Gary Raines |



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Grundy County, Missouri

We have audited the financial statements of various funds of Grundy County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Grundy County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Grundy County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that

we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, finding number 02-1, to be a material weakness. We also noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Grundy County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

June 12, 2003 (fieldwork completion date)

Financial Statements

Exhibit A-1

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2002

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|--------------------------------------|--------------------|-----------|---------------|----------------------|
| General Revenue | \$ 425,887 | 852,631 | 1,066,274 | 212,244 |
| Special Road and Bridge | 262,952 | 947,392 | 937,230 | 273,114 |
| Assessment | 1,065 | 170,521 | 170,703 | 883 |
| Law Enforcement Training | 5,322 | 3,926 | 3,094 | 6,154 |
| Prosecuting Attorney Training | 4,239 | 836 | 745 | 4,330 |
| Ambulance | 211,071 | 745,930 | 685,634 | 271,367 |
| Drug Awareness and Resistance | | | | |
| Education | 1,253 | 684 | 599 | 1,338 |
| Prosecuting Attorney Bad Check | 7,912 | 21,888 | 13,975 | 15,825 |
| Recorder's User Fees | 23,281 | 6,100 | 5,577 | 23,804 |
| Victims of Domestic Violence | 55 | 455 | 457 | 53 |
| Local Emergency Planning Committee | 6,984 | 4,408 | 3,516 | 7,876 |
| 9-1-1 | 91,627 | 106,831 | 113,613 | 84,845 |
| Election Services | 2,087 | 790 | 957 | 1,920 |
| Health Center | 183,615 | 539,202 | 419,379 | 303,438 |
| Families and Friends of the | | | | |
| Developmentally Disabled | 146,674 | 96,683 | 91,068 | 152,289 |
| Circuit Clerk Interest | 1,138 | 279 | 0 | 1,417 |
| Law Library | 18,145 | 5,990 | 7,041 | 17,094 |
| Recorder's Technology | 1,034 | 2,803 | 818 | 3,019 |
| Ambulance Training | 0 | 5,876 | 5,287 | 589 |
| Child Care | 7,587 | 477 | 4,627 | 3,437 |
| Private Tutoring | 2,147 | 960 | 545 | 2,562 |
| Project Mentoring | (6,958) | 53,591 | 49,768 | (3,135) |
| Prosecuting Attorney Delinquent Tax | 2,778 | 245 | 1,428 | 1,595 |
| Division of Family Services Guardian | | | | |
| Ad Litem | 0 | 17,000 | 18,700 | (1,700) |
| Juvenile Restitution | 550 | 380 | 240 | 690 |
| Court Appointed Special Advocate | 0 | 3,765 | 0 | 3,765 |
| Community Development Block Grant | 0 | 57,039 | 57,039 | 0 |
| Emergency Shelter/ | | | | |
| Homeless Challenge Grants | 0 | 31,620 | 31,620 | 0 |
| Expendable Trust | 240,459 | 13,600 | 10,371 | 243,688 |
| Associate Division Interest | 601 | 159 | 0 | 760 |
| Sheriff Telephone Commissions | 492 | 2,106 | 2,360 | 238 |
| Total | \$ 1,641,997 | 3,694,167 | 3,702,665 | 1,633,499 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|--------------------------------------|--------------------|-----------|---------------|----------------------|
| General Revenue | \$ 563,596 | 925,804 | 1,063,513 | 425,887 |
| Special Road and Bridge | 216,593 | 807,868 | 761,509 | 262,952 |
| Assessment | 1,145 | 184,259 | 184,339 | 1,065 |
| Law Enforcement Training | 6,270 | 4,579 | 5,527 | 5,322 |
| Prosecuting Attorney Training | 4,234 | 843 | 838 | 4,239 |
| Ambulance | 297,220 | 612,334 | 698,483 | 211,071 |
| Drug Awareness and Resistance | | | | |
| Education | 1,174 | 785 | 706 | 1,253 |
| Prosecuting Attorney Bad Check | 6,399 | 16,273 | 14,760 | 7,912 |
| Recorder's User Fees | 19,170 | 4,992 | 881 | 23,281 |
| Victims of Domestic Violence | 755 | 536 | 1,236 | 55 |
| Local Emergency Planning Committee | 4,870 | 7,334 | 5,220 | 6,984 |
| 9-1-1 | 88,449 | 104,028 | 100,850 | 91,627 |
| Election Services | 861 | 2,101 | 875 | 2,087 |
| Health Center | 111,824 | 493,777 | 421,986 | 183,615 |
| Families and Friends of the | | | | |
| Developmentally Disabled | 141,041 | 91,073 | 85,440 | 146,674 |
| Circuit Clerk Interest | 2,518 | 440 | 1,820 | 1,138 |
| Law Library | 17,750 | 5,078 | 4,683 | 18,145 |
| Recorder's Technology | 0 | 1,034 | 0 | 1,034 |
| Child Care | 8,931 | 2,038 | 3,382 | 7,587 |
| Private Tutoring | 1,971 | 1,376 | 1,200 | 2,147 |
| Project Mentoring | 0 | 52,711 | 59,669 | (6,958) |
| Prosecuting Attorney Delinquent Tax | 2,547 | 586 | 355 | 2,778 |
| Division of Family Services Guardian | | | | |
| Ad Litem | 1,700 | 20,400 | 22,100 | 0 |
| Juvenile Restitution | 704 | 415 | 569 | 550 |
| Community Development Block Grant | 0 | 257,981 | 257,981 | 0 |
| Emergency Shelter/ | | | | |
| Homeless Challenge Grants | 0 | 21,766 | 21,766 | 0 |
| Expendable Trust | 234,022 | 16,106 | 9,669 | 240,459 |
| Associate Division Interest | 464 | 137 | 0 | 601 |
| Sheriff Telephone Commissions | 555 | 2,448 | 2,511 | 492 |
| Total | \$ 1,734,763 | 3,639,102 | 3,731,868 | 1,641,997 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|---|-------------------------|-----------|--|-----------|-----------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| TOTALS - VARIOUS FUNDS | | | | | | |
| RECEIPTS | \$ 3,570,006 | 3,504,546 | (65,460) | 3,574,162 | 3,262,104 | (312,058) |
| DISBURSEMENTS | 3,726,209 | 3,519,862 | 206,347 | 3,796,291 | 3,352,666 | 443,625 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (156,203) | (15,316) | 140,887 | (222,129) | (90,562) | 131,567 |
| CASH, JANUARY 1 | 1,393,307 | 1,393,307 | 0 | 1,476,233 | 1,483,869 | 7,636 |
| CASH, DECEMBER 31 | 1,237,104 | 1,377,991 | 140,887 | 1,254,104 | 1,393,307 | 139,203 |
| GENERAL REVENUE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 103,800 | 80,403 | (23,397) | 98,800 | 102,917 | 4,117 |
| Sales taxes | 440,000 | 423,855 | (16,145) | 440,000 | 433,646 | (6,354) |
| Intergovernmental | 106,200 | 96,581 | (9,619) | 108,050 | 134,804 | 26,754 |
| Charges for services | 142,000 | 145,995 | 3,995 | 134,000 | 136,335 | 2,335 |
| Interest | 25,000 | 19,605 | (5,395) | 30,000 | 25,561 | (4,439) |
| Other | 47,650 | 28,282 | (19,368) | 34,700 | 28,162 | (6,538) |
| Transfers in | 62,600 | 57,910 | (4,690) | 58,700 | 64,379 | 5,679 |
| Total Receipts | 927,250 | 852,631 | (74,619) | 904,250 | 925,804 | 21,554 |
| DISBURSEMENTS | | | | | | |
| County Commissioner | 73,820 | 72,878 | 942 | 73,200 | 74,568 | (1,368) |
| County Clerk | 88,695 | 92,172 | (3,477) | 85,665 | 85,017 | 648 |
| Elections | 43,750 | 30,743 | 13,007 | 16,250 | 28,484 | (12,234) |
| Buildings and grounds | 117,614 | 72,423 | 45,191 | 122,502 | 47,947 | 74,555 |
| Employee fringe benefit | 72,000 | 75,869 | (3,869) | 73,000 | 75,464 | (2,464) |
| County Treasurer and Ex Officio Collecto | 60,135 | 57,573 | 2,562 | 56,079 | 56,588 | (509) |
| Circuit Clerk and Ex Officio Recorder of Deed | 29,176 | 27,932 | 1,244 | 30,141 | 27,102 | 3,039 |
| Associate Circuit Court | 12,150 | 10,838 | 1,312 | 11,650 | 10,057 | 1,593 |
| Court administration | 9,357 | 12,493 | (3,136) | 9,496 | 8,239 | 1,257 |
| Public Administrator | 25,000 | 23,096 | 1,904 | 26,376 | 25,655 | 721 |
| Sheriff | 218,503 | 201,884 | 16,619 | 214,878 | 203,588 | 11,290 |
| Jail | 123,141 | 114,833 | 8,308 | 118,875 | 128,684 | (9,809) |
| Prosecuting Attorney | 75,182 | 76,934 | (1,752) | 75,930 | 72,305 | 3,625 |
| Juvenile Officer | 75,710 | 67,130 | 8,580 | 68,443 | 62,755 | 5,688 |
| County Coroner | 12,400 | 11,643 | 757 | 11,800 | 11,751 | 49 |
| Other | 58,200 | 59,543 | (1,343) | 74,600 | 81,027 | (6,427) |
| Transfers out | 71,403 | 58,290 | 13,113 | 70,600 | 64,282 | 6,318 |
| Emergency Fund | 27,850 | 0 | 27,850 | 27,200 | 0 | 27,200 |
| Total Disbursements | 1,194,086 | 1,066,274 | 127,812 | 1,166,685 | 1,063,513 | 103,172 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (266,836) | (213,643) | 53,193 | (262,435) | (137,709) | 124,726 |
| CASH, JANUARY 1 | 425,887 | 425,887 | 0 | 563,596 | 563,596 | 0 |
| CASH, DECEMBER 31 | 159,051 | 212,244 | 53,193 | 301,161 | 425,887 | 124,726 |

Exhibit B

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|--|-------------------------|---------|--|-----------|---------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>SPECIAL ROAD AND BRIDGE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 40,000 | 41,296 | 1,296 | 39,000 | 40,278 | 1,278 |
| Intergovernmental | 910,132 | 868,875 | (41,257) | 759,580 | 493,631 | (265,949) |
| Interest | 15,250 | 13,601 | (1,649) | 8,000 | 12,649 | 4,649 |
| Other | 23,500 | 23,620 | 120 | 5,000 | 3,329 | (1,671) |
| Transfers in | 0 | 0 | 0 | 304,000 | 257,981 | (46,019) |
| Total Receipts | 988,882 | 947,392 | (41,490) | 1,115,580 | 807,868 | (307,712) |
| DISBURSEMENTS | | | | | | |
| Salaries | 81,727 | 84,859 | (3,132) | 102,086 | 89,887 | 12,199 |
| Employee fringe benefit | 17,252 | 17,316 | (64) | 17,400 | 17,100 | 300 |
| Supplies | 35,300 | 36,879 | (1,579) | 36,850 | 38,136 | (1,286) |
| Insurance | 6,700 | 6,592 | 108 | 5,750 | 6,650 | (900) |
| Road and bridge materials | 46,100 | 49,865 | (3,765) | 288,262 | 314,413 | (26,151) |
| Equipment repairs | 25,000 | 39,402 | (14,402) | 28,000 | 37,124 | (9,124) |
| Equipment purchases | 37,686 | 60,848 | (23,162) | 24,750 | 27,561 | (2,811) |
| Construction, repair, and maintenance | 549,500 | 489,911 | 59,589 | 546,000 | 213,194 | 332,806 |
| FEMA to township | 144,972 | 140,912 | 4,060 | 0 | 0 | 0 |
| Other | 5,200 | 10,646 | (5,446) | 4,400 | 7,991 | (3,591) |
| Transfers out | 10,000 | 0 | 10,000 | 14,500 | 9,453 | 5,047 |
| Total Disbursements | 959,437 | 937,230 | 22,207 | 1,067,998 | 761,509 | 306,489 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 29,445 | 10,162 | (19,283) | 47,582 | 46,359 | (1,223) |
| CASH, JANUARY 1 | 262,952 | 262,952 | 0 | 216,498 | 216,593 | 95 |
| CASH, DECEMBER 31 | 292,397 | 273,114 | (19,283) | 264,080 | 262,952 | (1,128) |
| <u>ASSESSMENT FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 112,598 | 110,262 | (2,336) | 114,000 | 118,506 | 4,506 |
| Interest | 1,000 | 784 | (216) | 700 | 1,353 | 653 |
| Other | 500 | 1,975 | 1,475 | 500 | 900 | 400 |
| Transfers in | 71,403 | 57,500 | (13,903) | 70,600 | 63,500 | (7,100) |
| Total Receipts | 185,501 | 170,521 | (14,980) | 185,800 | 184,259 | (1,541) |
| DISBURSEMENTS | | | | | | |
| Assessor | 184,500 | 170,703 | 13,797 | 185,800 | 184,339 | 1,461 |
| Total Disbursements | 184,500 | 170,703 | 13,797 | 185,800 | 184,339 | 1,461 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 1,001 | (182) | (1,183) | 0 | (80) | (80) |
| CASH, JANUARY 1 | 1,065 | 1,065 | 0 | 1,145 | 1,145 | 0 |
| CASH, DECEMBER 31 | 2,066 | 883 | (1,183) | 1,145 | 1,065 | (80) |

Exhibit B

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|--|-------------------------|---------|--|----------|----------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>LAW ENFORCEMENT TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 1,400 | 1,102 | (298) | 1,800 | 1,413 | (387) |
| Charges for services | 5,000 | 2,558 | (2,442) | 5,000 | 2,655 | (2,345) |
| Interest | 300 | 266 | (34) | 250 | 288 | 38 |
| Other | 350 | 0 | (350) | 375 | 223 | (152) |
| Total Receipts | 7,050 | 3,926 | (3,124) | 7,425 | 4,579 | (2,846) |
| DISBURSEMENTS | | | | | | |
| Sheriff | 4,510 | 3,094 | 1,416 | 6,000 | 5,527 | 473 |
| Total Disbursements | 4,510 | 3,094 | 1,416 | 6,000 | 5,527 | 473 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 2,540 | 832 | (1,708) | 1,425 | (948) | (2,373) |
| CASH, JANUARY 1 | 5,322 | 5,322 | 0 | 6,270 | 6,270 | 0 |
| CASH, DECEMBER 31 | 7,862 | 6,154 | (1,708) | 7,695 | 5,322 | (2,373) |
| <u>PROSECUTING ATTORNEY TRAINING FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 700 | 633 | (67) | 800 | 640 | (160) |
| Interest | 200 | 203 | 3 | 180 | 203 | 23 |
| Total Receipts | 900 | 836 | (64) | 980 | 843 | (137) |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 1,050 | 745 | 305 | 1,000 | 838 | 162 |
| Total Disbursements | 1,050 | 745 | 305 | 1,000 | 838 | 162 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (150) | 91 | 241 | (20) | 5 | 25 |
| CASH, JANUARY 1 | 4,239 | 4,239 | 0 | 4,234 | 4,234 | 0 |
| CASH, DECEMBER 31 | 4,089 | 4,330 | 241 | 4,214 | 4,239 | 25 |
| <u>AMBULANCE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | 440,000 | 422,556 | (17,444) | 440,000 | 434,045 | (5,955) |
| Charges for services | 300,000 | 306,706 | 6,706 | 226,600 | 161,448 | (65,152) |
| Interest | 11,000 | 10,703 | (297) | 10,000 | 11,294 | 1,294 |
| Other | 2,500 | 5,965 | 3,465 | 2,750 | 5,547 | 2,797 |
| Total Receipts | 753,500 | 745,930 | (7,570) | 679,350 | 612,334 | (67,016) |
| DISBURSEMENTS | | | | | | |
| Salaries | 483,436 | 472,522 | 10,914 | 478,370 | 479,797 | (1,427) |
| Office expense: | 67,142 | 66,391 | 751 | 55,580 | 53,586 | 1,994 |
| Equipment | 19,000 | 26,301 | (7,301) | 34,000 | 29,453 | 4,547 |
| Mileage and training | 23,700 | 19,769 | 3,931 | 23,500 | 22,764 | 736 |
| Contracts with other district: | 5,500 | 5,500 | 0 | 10,000 | 10,000 | 0 |
| Employee fringe benefit | 76,622 | 76,990 | (368) | 59,950 | 71,504 | (11,554) |
| Uniforms | 4,000 | 2,561 | 1,439 | 4,000 | 3,865 | 135 |
| Tax increment financing | 0 | 0 | 0 | 18,000 | 11,914 | 6,086 |
| Transfers out | 15,600 | 15,600 | 0 | 15,600 | 15,600 | 0 |
| Total Disbursements | 695,000 | 685,634 | 9,366 | 699,000 | 698,483 | 517 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 58,500 | 60,296 | 1,796 | (19,650) | (86,149) | (66,499) |
| CASH, JANUARY 1 | 211,071 | 211,071 | 0 | 297,220 | 297,220 | 0 |
| CASH, DECEMBER 31 | 269,571 | 271,367 | 1,796 | 277,570 | 211,071 | (66,499) |

Exhibit B

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|---|-------------------------|--------|--|----------|--------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>DRUG AWARENESS AND RESISTANCE</u> | | | | | | |
| <u>EDUCATION FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 50 | 64 | 14 | 50 | 57 | 7 |
| Other | 700 | 620 | (80) | 500 | 728 | 228 |
| Total Receipts | 750 | 684 | (66) | 550 | 785 | 235 |
| DISBURSEMENTS | | | | | | |
| Sheriff | 700 | 599 | 101 | 710 | 706 | 4 |
| Total Disbursements | 700 | 599 | 101 | 710 | 706 | 4 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 50 | 85 | 35 | (160) | 79 | 239 |
| CASH, JANUARY 1 | 1,253 | 1,253 | 0 | 1,174 | 1,174 | 0 |
| CASH, DECEMBER 31 | 1,303 | 1,338 | 35 | 1,014 | 1,253 | 239 |
| <u>PROSECUTING ATTORNEY BAD</u> | | | | | | |
| <u>CHECK FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 12,172 | 21,297 | 9,125 | 13,500 | 15,969 | 2,469 |
| Interest | 246 | 591 | 345 | 225 | 304 | 79 |
| Total Receipts | 12,418 | 21,888 | 9,470 | 13,725 | 16,273 | 2,548 |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 14,500 | 13,975 | 525 | 14,765 | 14,760 | 5 |
| Total Disbursements | 14,500 | 13,975 | 525 | 14,765 | 14,760 | 5 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (2,082) | 7,913 | 9,995 | (1,040) | 1,513 | 2,553 |
| CASH, JANUARY 1 | 7,912 | 7,912 | 0 | 6,399 | 6,399 | 0 |
| CASH, DECEMBER 31 | 5,830 | 15,825 | 9,995 | 5,359 | 7,912 | 2,553 |
| <u>RECORDER'S USER FEES FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | 4,000 | 4,998 | 998 | 4,000 | 3,992 | (8) |
| Interest | 1,000 | 1,102 | 102 | 800 | 1,000 | 200 |
| Total Receipts | 5,000 | 6,100 | 1,100 | 4,800 | 4,992 | 192 |
| DISBURSEMENTS | | | | | | |
| Ex Officio Recorder of Deed | 16,200 | 5,577 | 10,623 | 16,200 | 881 | 15,319 |
| Total Disbursements | 16,200 | 5,577 | 10,623 | 16,200 | 881 | 15,319 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (11,200) | 523 | 11,723 | (11,400) | 4,111 | 15,511 |
| CASH, JANUARY 1 | 23,281 | 23,281 | 0 | 19,170 | 19,170 | 0 |
| CASH, DECEMBER 31 | 12,081 | 23,804 | 11,723 | 7,770 | 23,281 | 15,511 |

Exhibit B

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|---|-------------------------|---------|--|---------|---------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>VICTIMS OF DOMESTIC VIOLENCE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 450 | 445 | (5) | 480 | 490 | 10 |
| Interest | 20 | 10 | (10) | 20 | 46 | 26 |
| Total Receipts | 470 | 455 | (15) | 500 | 536 | 36 |
| DISBURSEMENTS | | | | | | |
| Shelter | 500 | 457 | 43 | 1,250 | 1,236 | 14 |
| Total Disbursements | 500 | 457 | 43 | 1,250 | 1,236 | 14 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (30) | (2) | 28 | (750) | (700) | 50 |
| CASH, JANUARY 1 | 55 | 55 | 0 | 755 | 755 | 0 |
| CASH, DECEMBER 31 | 25 | 53 | 28 | 5 | 55 | 50 |
| <u>LOCAL EMERGENCY PLANNING</u> | | | | | | |
| <u>COMMITTEE FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 3,700 | 4,134 | 434 | 2,900 | 6,910 | 4,010 |
| Interest | 350 | 274 | (76) | 200 | 363 | 163 |
| Other | 0 | 0 | 0 | 0 | 61 | 61 |
| Total Receipts | 4,050 | 4,408 | 358 | 3,100 | 7,334 | 4,234 |
| DISBURSEMENTS | | | | | | |
| Equipment | 1,200 | 1,844 | (644) | 3,400 | 3,966 | (566) |
| Training | 1,200 | 1,669 | (469) | 1,000 | 839 | 161 |
| Office supplies | 96 | 3 | 93 | 400 | 77 | 323 |
| Supplies | 1,250 | 0 | 1,250 | 500 | 338 | 162 |
| Total Disbursements | 3,746 | 3,516 | 230 | 5,300 | 5,220 | 80 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 304 | 892 | 588 | (2,200) | 2,114 | 4,314 |
| CASH, JANUARY 1 | 6,984 | 6,984 | 0 | 4,870 | 4,870 | 0 |
| CASH, DECEMBER 31 | 7,288 | 7,876 | 588 | 2,670 | 6,984 | 4,314 |
| <u>9-1-1 FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 103,000 | 102,157 | (843) | 101,200 | 99,550 | (1,650) |
| Interest | 4,000 | 4,347 | 347 | 3,000 | 4,478 | 1,478 |
| Other | 0 | 327 | 327 | 0 | 0 | 0 |
| Total Receipts | 107,000 | 106,831 | (169) | 104,200 | 104,028 | (172) |
| DISBURSEMENTS | | | | | | |
| Salaries | 56,000 | 56,888 | (888) | 56,000 | 50,720 | 5,280 |
| Office supplies | 1,000 | 1,435 | (435) | 100 | 669 | (569) |
| Equipment purchases | 7,936 | 7,936 | 0 | 10,000 | 8,721 | 1,279 |
| Equipment repairs and maintenance | 2,500 | 6,741 | (4,241) | 2,500 | 3,957 | (1,457) |
| Equipment support | 32,400 | 29,957 | 2,443 | 26,000 | 28,305 | (2,305) |
| Other | 7,000 | 10,656 | (3,656) | 9,600 | 8,478 | 1,122 |
| Total Disbursements | 106,836 | 113,613 | (6,777) | 104,200 | 100,850 | 3,350 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 164 | (6,782) | (6,946) | 0 | 3,178 | 3,178 |
| CASH, JANUARY 1 | 91,627 | 91,627 | 0 | 88,449 | 88,449 | 0 |
| CASH, DECEMBER 31 | 91,791 | 84,845 | (6,946) | 88,449 | 91,627 | 3,178 |

Exhibit B

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|--------------------------------------|-------------------------|---------|--|---------|---------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>ELECTION SERVICES FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | 610 | 344 | (266) | 218 | 1,319 | 1,101 |
| Interest | 0 | 56 | 56 | 0 | 0 | 0 |
| Transfers in | 390 | 390 | 0 | 782 | 782 | 0 |
| Total Receipts | 1,000 | 790 | (210) | 1,000 | 2,101 | 1,101 |
| DISBURSEMENTS | | | | | | |
| County Clerk | 2,200 | 957 | 1,243 | 875 | 875 | 0 |
| Total Disbursements | 2,200 | 957 | 1,243 | 875 | 875 | 0 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (1,200) | (167) | 1,033 | 125 | 1,226 | 1,101 |
| CASH, JANUARY 1 | 2,087 | 2,087 | 0 | 861 | 861 | 0 |
| CASH, DECEMBER 31 | 887 | 1,920 | 1,033 | 986 | 2,087 | 1,101 |
| <u>HEALTH CENTER FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 223,000 | 254,571 | 31,571 | 215,000 | 236,663 | 21,663 |
| Intergovernmental | 220,658 | 229,004 | 8,346 | 213,162 | 215,220 | 2,058 |
| Charges for services | 26,000 | 39,913 | 13,913 | 24,750 | 31,646 | 6,896 |
| Interest | 6,000 | 5,393 | (607) | 5,700 | 6,683 | 983 |
| Other | 8,262 | 10,321 | 2,059 | 2,950 | 3,565 | 615 |
| Total Receipts | 483,920 | 539,202 | 55,282 | 461,562 | 493,777 | 32,215 |
| DISBURSEMENTS | | | | | | |
| Salaries | 319,971 | 319,565 | 406 | 288,217 | 289,145 | (928) |
| Operating | 17,740 | 14,973 | 2,767 | 13,520 | 14,710 | (1,190) |
| Buildings and grounds | 19,800 | 13,393 | 6,407 | 53,200 | 58,087 | (4,887) |
| Medical supplies | 29,650 | 33,688 | (4,038) | 27,620 | 29,160 | (1,540) |
| Mileage and training | 15,400 | 13,102 | 2,298 | 12,850 | 14,919 | (2,069) |
| Insurance | 7,200 | 5,480 | 1,720 | 1,600 | 2,839 | (1,239) |
| Utilities | 7,900 | 5,941 | 1,959 | 9,250 | 8,996 | 254 |
| Rent | 12,934 | 12,934 | 0 | 4,100 | 3,120 | 980 |
| Miscellaneous | 800 | 303 | 497 | 1,500 | 1,010 | 490 |
| Total Disbursements | 431,395 | 419,379 | 12,016 | 411,857 | 421,986 | (10,129) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 52,525 | 119,823 | 67,298 | 49,705 | 71,791 | 22,086 |
| CASH, JANUARY 1 | 183,615 | 183,615 | 0 | 111,824 | 111,824 | 0 |
| CASH, DECEMBER 31 | 236,140 | 303,438 | 67,298 | 161,529 | 183,615 | 22,086 |

Exhibit B

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

| | Year Ended December 31, | | | | | |
|---|-------------------------|---------|--|----------|---------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>FAMILIES AND FRIENDS OF THE</u> | | | | | | |
| <u>DEVELOPMENTALLY DISABLED FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | 78,000 | 84,992 | 6,992 | 76,000 | 79,347 | 3,347 |
| Intergovernmental | 2,490 | 5,983 | 3,493 | 1,590 | 2,618 | 1,028 |
| Interest | 6,000 | 5,304 | (696) | 6,000 | 7,729 | 1,729 |
| Other | 400 | 404 | 4 | 400 | 1,379 | 979 |
| Total Receipts | 86,890 | 96,683 | 9,793 | 83,990 | 91,073 | 7,083 |
| DISBURSEMENTS | | | | | | |
| Operating expenses | 30,829 | 31,704 | (875) | 29,181 | 29,001 | 180 |
| Purchase of services | 39,092 | 28,853 | 10,239 | 38,942 | 23,462 | 15,480 |
| Medicaid match | 29,800 | 27,530 | 2,270 | 31,000 | 30,193 | 807 |
| Other | 6,328 | 2,981 | 3,347 | 9,828 | 2,784 | 7,044 |
| Total Disbursements | 106,049 | 91,068 | 14,981 | 108,951 | 85,440 | 23,511 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (19,159) | 5,615 | 24,774 | (24,961) | 5,633 | 30,594 |
| CASH, JANUARY 1 | 146,674 | 146,674 | 0 | 133,500 | 141,041 | 7,541 |
| CASH, DECEMBER 31 | 127,515 | 152,289 | 24,774 | 108,539 | 146,674 | 38,135 |
| <u>CIRCUIT CLERK INTEREST FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Interest | 275 | 279 | 4 | 200 | 440 | 240 |
| Total Receipts | 275 | 279 | 4 | 200 | 440 | 240 |
| DISBURSEMENTS | | | | | | |
| Circuit Clerk | 1,000 | 0 | 1,000 | 3,000 | 1,820 | 1,180 |
| Total Disbursements | 1,000 | 0 | 1,000 | 3,000 | 1,820 | 1,180 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (725) | 279 | 1,004 | (2,800) | (1,380) | 1,420 |
| CASH, JANUARY 1 | 1,138 | 1,138 | 0 | 2,518 | 2,518 | 0 |
| CASH, DECEMBER 31 | 413 | 1,417 | 1,004 | (282) | 1,138 | 1,420 |
| <u>LAW LIBRARY FUND</u> | | | | | | |
| RECEIPTS | | | | | | |
| Charges for service: | 5,000 | 5,910 | 910 | 7,000 | 4,930 | (2,070) |
| Interest | 150 | 80 | (70) | 150 | 148 | (2) |
| Total Receipts | 5,150 | 5,990 | 840 | 7,150 | 5,078 | (2,072) |
| DISBURSEMENTS | | | | | | |
| Law books | 4,500 | 7,041 | (2,541) | 2,700 | 4,683 | (1,983) |
| Total Disbursements | 4,500 | 7,041 | (2,541) | 2,700 | 4,683 | (1,983) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 650 | (1,051) | (1,701) | 4,450 | 395 | (4,055) |
| CASH, JANUARY 1 | 18,145 | 18,145 | 0 | 17,750 | 17,750 | 0 |
| CASH, DECEMBER 31 | \$ 18,795 | 17,094 | (1,701) | 22,200 | 18,145 | (4,055) |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

GRUNDY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Grundy County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the Families and Friends of the Developmentally Disabled Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--|---------------------------------|
| Recorder's Technology Fund | 2002 and 2001 |
| Ambulance Training Fund | 2002 |
| Child Care Fund | 2002 and 2001 |
| Private Tutoring Fund | 2002 and 2001 |
| Project Mentoring Fund | 2002 and 2001 |
| Prosecuting Attorney Delinquent Tax Fund | 2002 and 2001 |
| Division of Family Services | |
| Guardian Ad Litem Fund | 2002 and 2001 |
| Juvenile Restitution Fund | 2002 and 2001 |
| Court Appointed Special Advocate Fund | 2002 |
| Community Development Block Grant Fund | 2002 and 2001 |
| Emergency Shelter/Homeless Challenge Grants Fund | 2002 and 2001 |
| Expendable Trust Fund | 2002 and 2001 |
| Associate Division Interest Fund | 2002 and 2001 |
| Sheriff Telephone Commissions Fund | 2002 and 2001 |

Warrants issued were in excess of budgeted amounts for the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--------------------|---------------------------------|
| 9-1-1 Fund | 2002 |
| Health Center Fund | 2001 |
| Law Library Fund | 2002 and 2001 |

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Circuit Clerk Interest Fund for the year ended December 31, 2001.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--|---------------------------------|
| Health Center Fund | 2002 and 2001 |
| Families and Friends of the Developmentally Disabled Fund | 2002 and 2001 |
| Circuit Clerk Interest Fund | 2002 and 2001 |
| Law Library Fund | 2002 and 2001 |
| Recorder's Technology Fund | 2002 and 2001 |
| Ambulance Training Fund | 2002 |
| Community Development Block Grant Fund | 2002 and 2001 |
| Emergency Shelter/Homeless Challenge Grants Fund | 2002 and 2001 |
| Associate Division Interest Fund | 2002 and 2001 |
| Sheriff Telephone Commissions Fund | 2002 and 2001 |

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 2002 and 2001, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

Of the Health Center Board's bank balance at December 31, 2002, \$280,834 was covered by federal depositary insurance or by collateral securities held by the Health Center Board's custodial bank in the Health Center Board's name and \$22,923 was uninsured and

uncollateralized. The Health Center Board's deposits at December 31, 2001, were entirely covered by federal depositary insurance or by collateral securities held by the Health Center Board's custodial bank in the Health Center Board's name.

Furthermore, because of significantly higher bank balances at certain times during the year, the amounts of uninsured and uncollateralized balances existed for the health center Board were substantially higher at those times than such amounts at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

The Families and Friends of the Developmentally Disabled (FFDD) Board deposits at December 31, 2002 and 2001, were entirely covered by federal depositary insurance.

Approximately \$25,000 of the deposits maintained by the FFDD Board at December 31, 2001, was maintained in Certificates of Deposit at a bank outside the state of Missouri, in apparent violation of Section 110.040, RSMo 2000.

3. Prior Period Adjustment

The Juvenile Restitution Fund and Sheriff Telephone Commissions Fund cash balances of \$704 and \$555, respectively, at January 1, 2001, were not previously reported but have been added.

Supplementary Schedule

Schedule

GRUNDY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|---|--|---|-------------------------|----------------|
| | | | Year Ended December 31, | |
| | | | 2002 | 2001 |
| U. S. DEPARTMENT OF AGRICULTURE | | | | |
| | Passed through state | | | |
| | Department of Health and Senior Services- | | | |
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children | ERS0453139 ERS0452139 ERS0451139 | \$ 42,251 | 33,131 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| | Passed through state | | | |
| | Department of Economic Development - | | | |
| 14.228 | Community Development Block Grants/State' Program | 2000-PF-17 2002-MO-03 | 9,000 48,039 | 257,981 0 |
| | Program Total | | <u>57,039</u> | <u>257,981</u> |
| | Department of Social Services - | | | |
| 14.231 | Emergency Shelter Grants Program | ERO1640445 ERO1640397 | 9,360 | 9,000 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| | Passed through: | | | |
| | State Department of Public Safety | | | |
| 16.540 | Juvenile Justice and Delinquency Prevention - Allocatio to States | 01-JFJ2-13 | 3,496 | 0 |
| 16.592 | Local Law Enforcement Block Grants Program | 2001LBG053 2000LBG033 | 8,640 0 | 0 2,735 |
| | Missouri Sheriffs' Association - | | | |
| 16.unknown | Domestic Cannabis Eradication/Suppression Program | N/A | 1,424 | 1,893 |

Schedule

GRUNDY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures | |
|--|--|---|-------------------------|---------------|
| | | | Year Ended December 31, | |
| | | | 2002 | 2001 |
| U. S. DEPARTMENT OF LABOR | | | | |
| Passed through state: | | | | |
| State Department of Labor and Industrial Relations | | | | |
| 17.504 | Consultation Agreements | N/A | 0 | 234 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through state | | | | |
| Highway and Transportation Commission | | | | |
| 20.205 | Highway Planning and Construction | | | |
| | | BRO-040 (18) | 249,075 | 3,920 |
| | | BRO-040 (20) | 5,520 | 14,413 |
| | | BRO-040 (21) | 796 | 13,701 |
| | | TMEHTP03GS1 | 5,298 | 2,050 |
| | | TMEHTP02GS1 | | |
| | | TMEHTP01GS1 | | |
| | Program Total | | <u>260,689</u> | <u>34,084</u> |
| Department of Public Safety | | | | |
| 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grant | N/A | 1,739 | 1,637 |
| GENERAL SERVICES ADMINISTRATION | | | | |
| Passed through state Office of Administration | | | | |
| 39.003 | Donation of Federal Surplus Personal Property | N/A | 17,121 | 6,895 |
| FEDERAL EMERGENCY MANAGEMENT AGENCY | | | | |
| Passed through state Department of Public Safety | | | | |

Schedule

GRUNDY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal Expenditures Year Ended December 31, | |
|---|---|--|---|-------------------------|
| | | | 2002 | 2001 |
| 83.544 | Public Assistance Grants | 1412-DR | 140,427 | 0 |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through state | | | | |
| Department of Health and Senior Services- | | | | |
| 93.268 | Immunization Grants | PGA0642139A | 3,960 | 420 |
| | | N/A | 28,943 | 23,472 |
| | Program Total | | <u>32,903</u> | <u>23,892</u> |
| 93.283 | Centers for Disease Control & Prevention- Investigation and Technical Assistance | N/A | 3,631 | 997 |
| Department of Social Services - | | | | |
| 93.569 | Community Services Block Gran | HCP-42 | 22,259 | 12,766 |
| Department of Health and Senior Services- | | | | |
| 93.575 | Child Care and Development Block Gran | PGA0673139C PGA0672139C PGA0671139C PGA0673139S PGA0672139S PGA0671139S | 1,425 | 3,145 |
| Department of Social Services - | | | | |
| 93.658 | Foster Care - Title IV-E | SS01648 | 10,200 | 10,200 |
| Department of Health and Senior Services | | | | |
| 93.945 | Assistance Programs for Chronic Disease Prevention and Contr | DHO20054001 | 5,000 | 0 |
| 93.991 | Preventive Health and Health Services Block Gran | DHO30024001 AOC02380047 AOC01380039 | 4,583 16,778 0 | 0 5,981 16,183 |
| | Program Total | | <u>21,361</u> | <u>22,164</u> |
| 93.994 | Maternal and Child Health Service: Block Grant to the States | ERS146-3139M ERS146-2139M ERS146-1139M N/A | 19,631 268 | 15,809 2,068 |
| | Program Total | | <u>19,899</u> | <u>17,877</u> |
| Total Expenditures of Federal Award: | | | \$ <u><u>658,864</u></u> | <u><u>438,631</u></u> |

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

GRUNDY COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Grundy County, Missouri, except for the program accounted for in the Grundy County Public Housing Authority Fund. Federal awards for that fund have been audited and separately reported on by other independent auditors for its years ended September 30, 2002 and 2001.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided federal awards to subrecipients as follows:

| Federal CFDA Number | Program Title | Amount Provided | |
|---------------------------|-------------------------------------|---------------------------------|--------|
| | | Year Ended December 31, 2002 | 2001 |
| 14.231 | Emergency Shelter Grants Program | 9,360 | 9,000 |
| 83.544 | Public Assistance Grants | 136,332 | 0 |
| 93.569 | Community Services Block Grant | 22,259 | 12,766 |

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission
and
Officeholders of Grundy County, Missouri

Compliance

We have audited the compliance of Grundy County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Grundy County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. However, the results of our auditing procedures disclosed an

instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-2.

Internal Control Over Compliance

The management of Grundy County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Grundy County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

June 12, 2003(fieldwork completion date)

Schedule

GRUNDY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2002 AND 2001

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? ☒ yes ☐ no

Reportable condition identified that is
not considered to be a material weakness? ☐ yes ☒ none reported

Noncompliance material to the financial statements
noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Material weaknesses identified? ☐ yes ☒ no

Reportable condition identified that is
not considered to be a material weakness? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? ☒ yes ☐ no

Identification of major programs:

CFDA or
Other Identifying

Number

14.228

20.205

Program Title

Community Development Block Grant/State's Program

Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

02-1.

Ambulance Service Billings

Policies and procedures related to ambulance service billings and collections are not adequate. There are no written policies which address billing, collection, or write-off procedures. This situation was noted in our prior report and the County Commission indicated written policies regarding ambulance billing and write-off procedures would be adopted; however, no action was taken.

The county operates an ambulance service for which client billings are prepared and submitted to various health care insurers, Medicaid, and Medicare for collection. In December 2000, the county began contracting with an outside vendor to provide billing services. This contract was terminated in September 2001, at which time the Director of Ambulance Services performed the billing duties until she resigned on April 15, 2003. An Acting Director of Ambulance Services was then appointed and a separate Ambulance Service employee is currently responsible for billing. Ambulance service records reflected accounts receivable of approximately \$420,000 as of October 23, 2003. We noted the following concerns related to ambulance service procedures:

- A. There are no written policies for billing and collection procedures. Of sixty accounts reviewed, thirty-one had outstanding balances; nineteen of which had no record of follow-up billings. The balances of accounts which were only partially paid by third party insurance providers were not re-billed by the ambulance service to the clients. One of the accounts reviewed which had been billed to the third party insurance company had been returned to the county due to an error made on the claim form. The error was never corrected and the form was not resubmitted. The full balance of the account remains due. In addition, the county has a contract with a collection agency; however, procedures are not in place for determining when to send an account to the collection agency.

- B. There are no written procedures which address the write-off of uncollectible accounts. Accounts to be written off are determined by the ambulance service billing clerk and the County Treasurer, and approved by the County Commission. Accounts totaling approximately \$67,000 and \$17,000 were written off in 2002 and 2001, respectively. Additionally, during March 2003 accounts with service dates of 1999 and prior totaling approximately \$39,000 were written off as uncollectible.

Written policies related to billing and collection of accounts receivable, and write-offs of uncollectible accounts are necessary to ensure consistency and to establish adequate internal controls over accounts receivable.

- C. The ambulance service could not provide a summary report of patient billings. Without such information, the County Commission cannot adequately monitor collection rates or the overall effectiveness of the collection process.
- D. The ambulance service and the County Treasurer each maintain an account book. The ambulance service prepares all billings and provides the County Treasurer with a copy of the original invoice for each account. Both the ambulance service and the County Treasurer collect ambulance payments. Payments received by the ambulance service are turned over to the County Treasurer.
- 1) Reconciliations are not periodically performed between the ambulance service and the County Treasurer. We noted several errors in payments recorded by both the ambulance service and the County Treasurer. These errors could have been detected and corrected had a monthly reconciliation been performed.
 - 2) During the audit period, turnovers of monies received by the ambulance service were not made to the County Treasurer on a regular basis. The Director of the ambulance service made turnovers approximately two to three times each month.

Failure to establish adequate internal controls such as monthly reconciliations and timely turn over of monies increases the possibility that loss or misappropriation of funds will not be detected in a timely manner.

WE RECOMMEND the County Commission:

- A&B. Develop written policies for ambulance billing and collection procedures including provisions for follow-up on outstanding accounts and write-offs of uncollectible accounts.

- C. Obtain billing information from the ambulance service and compare with collection information for reasonableness.
- D. Ensure adequate internal control procedures are in place related to ambulance service accounts receivable including monthly reconciliations of accounting records and timely turnovers of monies received.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

A-C. *The County Commission indicated they agree with the recommendations and are working on implementation.*

D. *The County Commission agrees and will attempt to implement the recommendation.*

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

| | |
|--------------|---|
| 02-2. | Schedule of Expenditures of Federal Awards |
|--------------|---|

| | |
|-----------------------|--|
| Federal Grantor: | U.S. Department of Housing and Urban Development |
| Pass-Through Grantor: | State Department of Economic Development |
| Federal CFDA Number: | 14.228 |
| Program Title: | Community Development Block Grants/State's Program |
| Pass-Through Entity | |
| Identifying Number: | 2002-MO-03 and 2000-PF-17 |
| Award Years: | 2002 and 2001 |
| Questioned Costs: | Not Applicable |

| | |
|-----------------------|---|
| Federal Grantor: | U.S. Department of Transportation |
| Pass-Through Grantor: | State Highway and Transportation Commission |
| Federal CFDA Number: | 20.205 |
| Program Title: | Highway Planning and Construction |
| Pass-Through Entity | |
| Identifying Number: | BRO-040(18), BRO-040(20), BRO-040(21), and TMEHTP03GS1, TMEHTP02GS1, and TMEHTP01GS1 |
| Award Years: | 2002 and 2001 |
| Questioned Costs: | Not Applicable |

Section .310(b) of Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as a part of the annual budget.

The county's procedures for reporting federal assistance are not adequate. Two programs reported on the 2002 and 2001 SEFA totaling approximately \$91,000 and \$96,000, respectively, did not represent federal assistance monies. Two other programs totaling approximately \$12,000 and \$11,800 which did represent federal assistance monies were not reported on the 2002 and 2001 SEFA, respectively.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

A similar condition was noted in the prior audit.

WE AGAIN RECOMMEND the County Commission and the County Clerk prepare a complete and accurate schedule of expenditures of federal awards and submit the schedule to the State Auditor's office as part of the annual budget.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission and County Clerk indicated they agree with the recommendation and will do the best they can.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

GRUNDY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Grundy County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2000.

00-1. Ambulance Service Billings

Policies and procedures related to ambulance service billings and collections were not adequate. There were no written policies which addressed billing, collection, or write-off procedures.

Recommendation:

The County Commission develop written policies and procedures for the ambulance billing function including provisions for follow-up on outstanding accounts and write-off procedures.

Status:

Not implemented. See finding 02-1.

00-2. Families and Friends of the Developmentally Disabled Board Investments

At December 31, 2000, the Families and Friends of the Developmentally (FFDD) Disabled Board maintained approximately \$20,600 in a money market fund which, according to the fund's prospectus, was not FDIC insured nor protected from market loss. In addition, approximately \$25,000 was held in certificates of deposit held at banks in other states.

Recommendation:

The FFDD Board ensure public monies are invested in compliance with state law.

Status:

Implemented. The FFDD Board closed the money market fund in 2001 and the monies in the certificates of deposit were transferred to the Board's checking account upon maturity in May 2002.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

GRUNDY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

00-3. Schedule of Expenditures of Federal Awards

| | |
|-----------------------|---|
| Federal Grantor: | U.S. Department of Agriculture |
| Pass-Through Grantor: | State Department of Health |
| Federal CFDA Number: | 10.557 |
| Program Title: | Special Supplemental Nutrition Program for Women, Infants, and Children |
| Pass-Through Entity | |
| Identifying Number: | ER00459139 |
| Award Year: | 2000 and 1999 |
| Questioned Costs: | Not Applicable |
| Federal Grantor: | U.S. Department of Defense |
| Pass-Through Grantor: | Not Applicable |
| Federal CFDA Number: | 12.105 |
| Program Title: | Protection of Essential Highways, Highway Bridge Approaches, and Public Works |
| Pass-Through Entity | |
| Identifying Number: | Not Applicable |
| Award Year: | 1999 |
| Questioned Costs: | Not Applicable |

| | |
|-----------------------|--|
| Federal Grantor: | U.S. Department of Transportation |
| Pass-Through Grantor: | State Highway and Transportation Commission |
| Federal CFDA Number: | 20.205 |
| Program Title: | Highway Planning and Construction |
| Pass-Through Entity | |
| Identifying Number | BRO-040(16), BRO-040(17), BRO-040(18) & BRO-040(19) |
| Award Year: | 2000 and 1999 |
| Questioned Costs: | Not Applicable |

The county did not have procedures in place to adequately track federal awards for preparation of the schedule of expenditures of federal awards (SEFA).

Recommendation:

The County Clerk prepare a complete and accurate schedule of expenditures of federal awards to submit to the State Auditor's Office as part of the annual budget.

Status:

Not implemented. See finding number 02-2.

00-4. Cash Management

| | |
|-----------------------|---|
| Federal Grantor: | U.S. Department of Transportation |
| Pass-Through Grantor: | State Highway and Transportation Commission |
| Federal CFDA Number: | 20.205 |
| Program Title: | Highway Planning and Construction |
| Pass-Through Entity | |
| Identifying Number: | BRO-040(16) & BRO-040(18) |
| Award Year: | 2000 and 1999 |
| Questioned Costs: | Not Applicable |

The county has not established cash management procedures to ensure the minimum time lapses between receipt of federal project monies and the disbursement of such monies.

Recommendation:

The County Commission establish procedures to minimize the time elapsed between the receipt of federal monies and disbursement of such funds.

Status:

Partially implemented. The county's normal procedures are to make the related payment prior to requesting and receiving reimbursement from the state. However, we did note one instance in which a reimbursement of \$55,284 was held for 10 business days prior to the related disbursement. Although not repeated in the current report, our recommendation remains as stated above.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

GRUNDY COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Grundy County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 12, 2003. We also have audited the compliance of Grundy County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 12, 2003.

We also have audited the operations of elected officials with funds other than those presented in the financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Because the Grundy County Public Housing Agency is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed that audit report and other applicable information for the years ended September 30, 2002 and 2001.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials and the county boards referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the financial statements of Grundy County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

| | |
|-----------|----------------------------|
| 1. | Financial Condition |
|-----------|----------------------------|

The county's General Revenue Fund is experiencing a declining cash balance. The following chart shows the General Revenue Fund's receipts, disbursements, and cash balances for the three years ended December 31, 2002:

| | | 2002 | 2001 | 2000 |
|---------------------------|----|-------------|-------------|-----------|
| Cash Balance, January 1 | \$ | 425,887 | 563,596 | 646,877 |
| Receipts | | 852,631 | 925,804 | 860,785 |
| Disbursements | | (1,066,274) | (1,063,513) | (944,066) |
| Cash Balance, December 31 | \$ | 212,244 | 425,887 | 563,596 |

Based on the 2003 budget, it appears the financial condition of the General Revenue Fund will not improve during the current year. The 2003 budget reflects anticipated receipts and disbursements of \$1,138,766 and \$1,396,990, respectively, resulting in an estimated ending deficit cash balance of \$45,980 (See MAR No. 2).

A significant amount of the disbursements of the General Revenue Fund is comprised of salary and related payroll disbursements for elected officials and deputy officials. For 2002, these disbursements comprised approximately \$510,000 of total fund disbursements of approximately \$1,066,000 (48 percent). Other required or essential disbursements include conduct of elections, board of prisoners, courthouse maintenance, utilities, insurance, and the county's share of juvenile office and assessment disbursements. These disbursements comprised approximately 16 percent of total General Revenue Fund disbursements for 2002.

The significant increase in expenditures in 2001 included various items such as insurance, employee and some county official salary increases, (including the Public Administrator electing to be paid on a salary rather than a fee basis), and prisoner food and medical expenses.

The following are additional factors which should be considered:

- Based upon a review of the county's 2002 property tax rollback, it appears the county intentionally levied a lower property tax rate than was required, resulting in an unnecessary reduction of property tax collections of approximately \$48,000. The County Commission indicated the 2002 General Revenue property tax levy was set the same as the 2001 levy, which would have been adequate if the proposed law enforcement sales tax ballot issue would have passed.
- An administrative service fee transfer was not made from the Special Road and Bridge Fund to the General Revenue Fund for 2002. In addition, although an administrative service fee transfer was made in 2001, the amount transferred of \$9,453 was less than allowed by state law. Section 50.515, RSMo 2000, allows the county to impose an administrative service fee on the Special Road and Bridge Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for related administrative services to the funds, and shall not exceed three percent of the Special Road and Bridge Fund budget. Three percent of 2002 actual Special Road and Bridge Fund expenditures is approximately \$28,000.
- Although the General Revenue Fund budget was not amended, budgets for various funds were amended (See MAR 2). Accurate and realistic budget estimates are essential to control and monitor a declining financial position.
- During the two years ended December 31, 2002, the County Commission authorized expenditures from the General Revenue Fund totaling \$2,100 for catering county employee appreciation dinners. These expenditures do not appear to be necessary to the operations of the county or a prudent use of county funds.

Disbursements have exceeded revenues for the past five years. It appears that developing both short- and long-term solutions to the county's financial problems will be difficult. The County Commission should review disbursements and reduce discretionary amounts as much as possible. In addition, the County Commission should attempt to maximize receipts from all sources.

WE RECOMMEND the County Commission take the necessary steps to improve the financial condition of General Revenue Fund.

AUDITEE'S RESPONSE

The County Commission is very concerned about the General Revenue Fund and continues to monitor the fund. The County Commission indicated they did increase the General Revenue property tax levy in 2003 and plan on putting the law enforcement sales tax issue on the April 2004 ballot. If the law enforcement sales tax issue passes, it will stabilize the General Revenue Fund.

2. Budgetary Practices and Published Financial Statements

Formal budgets were not prepared for various county funds, expenditures of some funds exceeded the original budgets prior to amending the budgets, public hearings were not held prior to the adoption of some budget amendments, and a deficit ending fund balance was budgeted for the General Revenue Fund in 2003. In addition, the annual published financial statements of the county did not include the financial activity of some county funds.

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 2002 and 2001. While most of these funds are not under the direct control of the County Commission, budgets for these funds are needed to provide a better overall picture of the county's financial condition and to comply with statutory provisions. Chapter 50, RSMo 2000, requires the preparation and filing of annual budgets for all county funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds and activities, the County Commission is able to more effectively evaluate all county financial resources.
- B. During 2002 and 2001, the County Commission and the Health Center amended various county budgets to reflect increased expenditures made during the year. The expenditures of some funds exceeded the original budgets prior to amending the budgets and some amendments were made as late as November or December. In addition, public hearings were not held prior to the adoption of some of the budget amendments. Budget amendments, when applicable, should be made when such expenditures are anticipated and prior to their incurrence. While these amendments make it appear as if the county complied with the law, the timing of these decisions did not allow for the budget to be used as an effective management tool. The audited financial statements have been adjusted for these amendments.

Section 50.622, RSMo 2000, allows budget amendments if additional sources of revenue are received which could not be estimated when the budget was adopted, and requires the County Commission to follow the same procedures required for adopting the original budget, including holding a public hearing.

To ensure the adequacy of the budgets as a planning tool and to ensure compliance with state law, budget amendments should be made prior to incurring the actual expenditures and public hearings should be held prior to adoption of all budget amendments.

- C. The 2003 General Revenue Fund budget reflects a deficit ending budgeted fund balance of \$45,980.

Appropriating expenditures in excess of available resources reduces the County Commission's ability to effectively manage the county's resources. In addition, counties are not authorized to budget deficit fund balances. Article VI, Section 26 (a) of the Missouri Constitution states, "no county...shall become indebted in an

amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years..."

- D. The annual published financial statements of the county did not include the financial activity of some county funds. Section 50.800, RSMo 2000, provides that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

Conditions A and D were noted in previous reports.

WE RECOMMEND the County Commission:

- A. Ensure budgets are obtained or prepared for all county funds.
- B. And Health Center Board of Trustees ensure budget amendments are made prior to incurring actual expenditures and public hearings are held prior to adopting budget amendments.
- C. Discontinue appropriating expenditures in excess of available resources.
- D. Ensure financial information for all county funds is properly reported in the annual published financial statements.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *Even though they do not have control over all of the funds, they will attempt to obtain 2004 budgets for all county funds.*
- B. *The goal is for no one to over expend their budget. In the event actual expenditures do exceed budgeted expenditures, the County Commission will try to ensure that budget amendments are prepared in accordance with state law. The Health Center Board of Trustees indicated that, in the future, budget amendments will be made prior to incurring actual expenditures and public hearings will be held prior to adopting budget amendments.*
- C. *They were not aware this was not allowed and will not let it happen again.*
- D. *If the information can be obtained, it will be reported in the published financial statements.*

3.**County Commission Minutes**

County commission meeting minutes are not up to date, open minutes do not always include required information related to closed meetings, and the minutes were not signed by the Presiding County Commissioner.

- A. The official county commission meeting minutes are not up to date. The County Clerk makes notes of the county commission meetings, then uses these notes to type the minutes into the official minute book. As of June 4, 2003, the last entry in the official record book was for the March 5, 2003, meeting.

Timely preparation and approval not only ensures authenticity of official minutes, but allows a review of the contents to ensure the minutes include all important information regarding the meetings held. In addition, Section 51.120, RSMo 2000, requires the County Clerk is to maintain an accurate record of orders, rulings, and proceedings of the County Commission.

- B. Open meeting minutes do not always document the specific reasons for entering the closed session or the final disposition of matters discussed in closed meetings, if applicable.

Sections 610.021 and 610.022, RSMo 2000, provide various requirements related to closed meetings. The question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session. Public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. The County Commission may close meetings to the extent the meetings relate to certain specified subjects, including litigation, real estate transactions, and personnel issues. Certain matters discussed in closed meetings are required to be made public upon final disposition.

- C. The Presiding County Commissioner did not sign the county commission meeting minutes. The minutes should be prepared by the County Clerk, approved by the County Commission, and signed by the Presiding County Commissioner to provide an attestation that the minutes are a correct record of the matters discussed and action taken during the county commission meetings. This was brought to the current County Clerk's attention prior to the preparation of the 2003 official minutes and those minutes were properly signed.

WE RECOMMEND the County Commission:

- A. Ensure the official record of meetings is prepared on a timely basis.
- B. Ensure the reasons for going into closed session and the final disposition of matters discussed in closed session, as provided by state law, are documented in the county commission open minutes.
- C. Continue to approve and sign minutes.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *There were extenuating circumstances as to why the official minutes were not updated. The County Clerk indicated she had to prioritize items in her office and the minutes were a lower priority than some other items. It is her goal to bring the minutes up to date by the end of 2003.*
- B. *They will attempt to implement the recommendation.*
- C. *They have implemented the recommendation.*

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| 4. Property Tax System and Computer Controls |
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Access to the property tax system is not adequately restricted, the County Clerk does not maintain an account book with the Ex Officio County Collector, and there is not a contingency plan for the computer system.

- A. Access to the property tax system is not adequately restricted and changes to data are not routinely monitored. The County Assessor, Ex Officio County Collector, and County Clerk have unlimited access to the computer system and can make changes they are not authorized to make. For example, the County Clerk can enter a tax bill as paid and the Ex Officio County Collector can change assessed valuation amounts.

The County Assessor enters the assessed valuation data from the assessment sheets. This data is to be completed by May 31 of each year. In addition, the County Assessor enters changes in assessed valuations after approval by the Board of Equalization. After the Board of Equalization meetings are completed, the County Assessor has no statutory authority to make changes to the assessment data. Concerns were brought to our attention that the Assessor continued to make changes to the assessment data after the Board of Equalization meetings in 2003. In addition,

the Ex Officio County Collector makes additions and abatements for delinquent taxes to the property tax system based upon court orders approved by the County Commission.

The unrestricted access to the system weakens internal controls over property assessment and tax collections. The ability to access and change computerized information should be limited to those individuals who need such access for the performance of their duties. The County Clerk has the statutory duty of preparing the tax books and preparing any changes to the tax books and charging the Ex Officio County Collector with the amounts to be collected.

- B. The County Clerk does not maintain an account book with the Ex Officio Collector. An account book would summarize all taxes charged to the Ex Officio County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. This account book, prepared by the County Clerk from aggregate abstracts, court orders, monthly statements of collections, and the tax books, would enable the County Clerk to ensure the amount of taxes charged and credited to the Ex Officio County Collector each year is complete and accurate and can be used by the County Commission to verify the Ex Officio County Collector's annual settlements.
- C. The county does not have a formal emergency contingency plan for the computer system, and has not formally negotiated arrangements for backup facilities in the event of a disaster.

Contingency plans should include plans for a variety of situations, such as short-and long-term plans for backup hardware, software, facilities, personnel, and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backup under various contingencies. The major benefit of a thorough disaster recovery plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the county's degree of reliance on the data processing, the need for contingency planning is evident.

WE RECOMMEND the County Commission:

- A. Restrict access to assessment and property tax data during periods when changes to the data are not statutorily allowed and to only those individuals with statutory authority to change applicable data. If the county allows access and change capabilities which are normally incompatible to statutory duties, the County Commission should ensure change reports are generated and an independent individual, such as the County Clerk, reviews all changes for propriety.
- B. Require the County Clerk to establish and maintain an account book with the Ex Officio County Collector. In addition, the County Commission should consider using the account book to verify the Ex Officio County Collector's annual settlements.

- C. Develop a formal contingency plan for the county's computer systems.

AUDITEE'S RESPONSE

The County Commission:

- A. *Indicated they are in the process of implementing a new computer system and will ensure access is limited for each official's duties.*
- B. *And the County Clerk indicated they will try to implement this beginning March 1, 2004.*
- C. *Indicated they will look into this and try to establish a contingency plan before the end of 2004.*

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| 5. Prosecuting Attorney's Accounting Controls and Procedures |
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There are significant weaknesses in the Prosecuting Attorney's accounting controls and procedures related to bad check restitution monies. Weaknesses noted include failure to document cash payments turned over to the victim for bad check restitution, untimely recording and processing of monies received, lack of a bad check log to account for complaints filed, inadequate segregation of duties, and lack of bonds for employees responsible for handling assets.

The Prosecuting Attorney's Office collects bad check and court-ordered restitution monies. Bad check restitution is usually forwarded directly to the victims. Bad check collection fees received in the form of money orders made payable to the County Treasurer are transmitted directly to that office for credit to the Prosecuting Attorney's Bad Check Fund. Court-ordered restitution payments are deposited to the official bank account and checks are issued for the distribution of the restitution. Our review of the Prosecuting Attorney's accounting controls and procedures revealed the following concerns:

- A. Accounting and bookkeeping duties are not adequately segregated. The duties of receiving, recording, depositing and transmitting monies are all performed by two secretaries. In addition, there is no indication that supervisory reviews are performed to ensure that all transactions are accounted for properly and assets are adequately safeguarded.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by more clearly assigning accounting and bookkeeping duties to be performed by each employee or by implementing an independent documented review of records by another employee or the Prosecuting Attorney.

- B. A log or other record is not maintained to account for all bad check complaints filed with the Prosecuting Attorney and their ultimate disposition. The Prosecuting Attorney's Office does maintain two logs for bad checks, one for bad checks paid in full and the other, which was started in September 2002, for partial payments received. However, these logs only include bad checks for which payment has been made. A bad check complaint log would provide a record of all such complaints filed with the Prosecuting Attorney and provide more assurance that all receipts and disbursements related to these cases are properly handled.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint and a log should be maintained showing each bad check and its disposition. The log should contain information such as the assigned complaint number, the date the check was received by the prosecutors office, the merchant, the issuer of the check, the amount of the check, the amount of the bad check fees, and the disposition of the bad check, including the date payment was received and transmitted to the merchant and County Treasurer or the criminal case number in which charges were filed or other disposition.

- C.1. Monies received are not always recorded in a timely manner. During a cash count conducted April 1, 2003, we noted that receipt slips had not been issued for cash and money orders on hand totaling \$1,915 nor had these payments been posted to the bad check payment log.
2. Although receipt slips are issued for all monies received, redi-form receipts slips are issued rather than official, pre-numbered receipt slips. Redi-form receipt slips may be purchased at any retail outlet where office supplies are sold and, as a result, duplicate receipt slip numbers may be purchased.
3. More than one receipt book is in use simultaneously. In addition, several instances were noted in which more than one receipt slip was issued for a transaction.

Good internal control procedures require that official, prenumbered receipt slips be issued immediately upon receipt. Failure to do so increases the risk of loss, theft or misappropriation of funds.

- D.1. Cash payments received for repayment of bad checks are not deposited but instead are forwarded directly to the victim. The Prosecuting Attorney does not obtain documentation from the merchant when the restitution payments are turned over in either cash or money order form. We contacted three merchants in an effort to confirm cash payments had been transmitted as noted in the Prosecuting Attorney's records. Two merchants were able to confirm they had received selected cash payments. Another merchant was unable to confirm specific payments; however, he did indicate that cash payments had been received on occasion.

2. We noted three instances in which cash received for court ordered restitution totaling \$190 could not be traced to a deposit slip. In August 2002, the Prosecuting Attorney authorized a reimbursement to his official account from the Prosecuting Attorney Bad Check Fund for a \$100 cash receipt which could not be accounted for. We further identified a \$40 cash receipt and a \$50 cash receipt which could not be accounted for. In May 2003 a reimbursement was made to the official account from the Prosecuting Attorney Bad Check Fund for the \$40 receipt. The Prosecuting Attorney has a fiduciary responsibility to ensure all monies received by his office are properly accounted for. Any unidentified shortages should be repaid by the Prosecuting Attorney, not absorbed by the Prosecuting Attorney Bad Check Fund.

Good internal control procedures require that all cash be deposited to an official account and distributed through issuance of a check; and that documentation, such as a receipt slip, be obtained when monies are transmitted via a money order. Failure to do so increases the risk that loss or misappropriation of funds will not be detected on a timely basis.

- E. The Prosecuting Attorney's office accumulates partial payments on court ordered restitution until significant amounts have been received and then distributes the funds to the victims. As of December 31, 2002, the balance of the court ordered restitution account was approximately \$10,000. This money has been collected on behalf of the victims by order of the court to pay restitution. We noted several cases that had undistributed balances in excess of \$100.

To expedite the distribution of restitution to victims and to reduce the amount of open items necessary to be accounted for, the Prosecuting Attorney's office should consider distributing restitution payments to the victims on a more timely basis.

- F. Although a listing of outstanding checks is prepared, bank reconciliations are not prepared. In addition, the open items listing is compared to the bank statement balance; however, it is not compared to the book balance and unidentified differences are not resolved. Reconciliations of book balances to bank records and open items are necessary to ensure errors or misstatements are detected on a timely basis.
- G. The Prosecuting Attorney and his employees responsible for handling monies are not bonded. As a means of safeguarding assets and reducing the county's risk if a misappropriation of funds would occur, all employees handling money should be adequately bonded.

Conditions B and C.1. were noted in a previous report.

WE RECOMMEND the Prosecuting Attorney:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible. At a minimum, the Prosecuting Attorney should perform documented supervisory reviews of the accounting records.
- B. Maintain a log to account for all bad check complaints filed with the Prosecuting Attorney's office.
- C. Issue official prenumbered receipt slips immediately upon receipt. The numerical sequence of all receipt slips should be accounted for.
- D. Deposit all cash receipts to the official checking account and distribute such monies by issuing a check. In addition, documentation should be obtained when money orders are turned over directly to the victim. Unidentified shortages should be investigated and appropriate action taken.
- E. Consider distributing restitution payments to victims on a more timely basis.
- F. Prepare bank reconciliations and reconcile to the open items listing. Unidentified differences should be investigated and resolved.
- G. Obtain bond coverage for all employees handling receipts.

AUDITEE'S RESPONSE

The Prosecuting Attorney stated:

- A. *"Due to the lack of funding from the State and limited funds from the County, we are unable to hire extra help; therefore, it is not possible to segregate the duties of collecting bad checks. Each person in the office handles the duties and checks the work of others to ensure that transactions are accounted for properly and assets are adequately safeguarded."*
- B. *"Due to the lack of funding from the State and limited funds from the County we are unable to hire the extra help that this would entail. As you noted, we do have a log for bad checks paid in full and one for partial payments. We do keep track of the dates on notices and complaints by checking due dates each week. When monies are collected there is a receipt attached to the notice reflecting the money order number, recipient of funds, amount of funds, and who collected the funds or, if receipt was given to the check writer the money order number is recorded on the notice."*

Due to lack of State funding and limited funds received from the County the costs involved in special ordering sequential receipt books is not possible. We do not have the man power to log all of the information requested on each check."

- C. *"The day that the Auditor arrived we had been short handed due to an employee being absent from the office for a period and were behind in all prosecutor work, including bad checks. This is not the norm when we have a full staff. Because of the volume of checks processed someone works on them every day.*

We do purchase redi-form receipts but to ensure that receipts are not copied or forged we stamp the name of the prosecutor on the receipt instead of signing my name. If we have more than one person working on checks we use two receipt books."

- D. *"We no longer accept cash payments. Money orders made out to the victim are sent directly to the victim. The merchants keep a copy of the check that has been turned over to our office and keep track of the restitution made to them.*

Regarding the incident of money being unaccounted for, a staff member was working on a deposit while being the only staff person in the building. She was called back to the Prosecutor's office and after a few minutes returned to the front office to finish the bank deposit. She was unaware that money had been removed from her desk. The discrepancy was caught during a review of records."

- E. *"Many people make restitution to more than one victim. After so much is collected it is prorated out to the victims. Some cases will have a larger balance than others because of the number of victims."*

- F. *"We have set up the Escrow account on Quicken now and it is done monthly. The bank statements have always been reconciled monthly. The bank statement is compared to the checkbook which is then compared to the open items."*

- G. *"After checking with the County we are not required to be bonded."*

AUDITOR'S COMMENT

- F. Outstanding checks were listed on the bank statements we reviewed; however, there was no indication of a reconciliation to book balances.

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| 6. Sheriff's Accounting Controls and Procedures |
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Accounting and bookkeeping duties are not adequately segregated. Monies received are not always deposited on a timely basis. In addition, telephone commission monies are maintained outside the county treasury, inmate monies are not maintained in a bank account, and monies received from snack sales are treated as personal funds of the Sheriff.

During the years ended December 31, 2002 and 2001, the Sheriff's department received approximately \$91,000 and \$72,000 , respectively, for bonds, gun permits, fees, boarding of prisoners, telephone commissions, and other miscellaneous receipts (Sheriff's sale receipts are not included). Our review of the Sheriff's controls and procedures revealed the

following concerns:

- A. Accounting and bookkeeping duties are not adequately segregated. The Sheriff's bookkeeper is responsible for receipting, recording, and depositing monies received; preparing and signing checks; and preparing month-end reports and reconciliations. The Sheriff indicated he reviews the accounting records and reconciliations, but does not document his review.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are properly safeguarded. If proper segregation cannot be achieved due to the limited staff available, the Sheriff should at least compare bank deposits with recorded receipts and review bank reconciliations. Proper supervision by the Sheriff and documented reviews help ensure that financial records are properly maintained and help detect errors on a timely basis.

- B. Gun permits and Sheriff's fees are deposited only once a month. Fees and gun permits totaling \$660 received as early as March 4, 2003, were on hand on March 17, 2003. In addition, checks are not always restrictively endorsed immediately upon receipt. During our review, we noted five of the twenty checks on hand were not endorsed.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.

- C. The Sheriff maintains telephone commission monies outside the county treasury. During the period January 1, 1999 through March 17, 2003, the Sheriff's records reflect telephone commissions totaling \$11,338 were received for collect calls made by inmates from the jail telephone. The records indicate that during the same period, expenditures totaling \$11,224 were made from these funds. The telephone commission checks are cashed and maintained in a petty cash fund rather than turning these monies over to the County Treasurer. The money is used to purchase jail supplies and for various other office expenses.

Maintaining these funds outside the county treasury circumvents the appropriation process and the checks and balances system in place for most other county funds. In addition, there is no statutory authority for the Sheriff to maintain such accounts outside the county treasury. Attorney General's Opinion No. 45, 1992 to Henderson, states "...sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury." The remaining account balance should be transferred to the County Treasurer and future receipts should be transmitted to the County Treasurer.

- D. The Sheriff does not maintain personal monies of inmates in a bank account or issue receipt slips when the inmate monies are received. The monies are kept in a lockbox and a ledger sheet which includes receipts, disbursements, and the available balance is maintained for each inmate.

To ensure inmate funds are accounted for properly, all inmate funds should be deposited into a bank account and pre-numbered receipt slips indicating the method of payment should be issued for all monies received.

- E. The Sheriff indicated monies received from snack sales to inmates of the county jail are personal funds. Since these sales are handled by county employees on county property an accounting should be made of the proceeds; however, the Sheriff would not provide any records related to these monies. The Sheriff indicated a bank account is not maintained for these monies. It is unclear as to why the Sheriff would not want some accountability over these monies. The County Commission should follow up on this situation and require an accounting of these funds.

WE RECOMMEND the Sheriff:

- A. Adequately segregate the accounting duties or, at a minimum, ensure that periodic independent reviews of the accounting records are performed and documented.
- B. Deposit all monies intact daily or when accumulated receipts exceed \$100. In addition, all checks and money orders should be restrictively endorsed immediately upon receipt.
- C. Transfer the balance and turn over all future revenues of telephone commission monies to the County Treasurer.
- D. Ensure pre-numbered receipt slips are issued for all inmate monies received and deposit all inmate funds into a bank account.
- E. And County Commission discuss the appropriate handling and accountability of soda and snack sale monies.

AUDITEE'S RESPONSE

The Sheriff indicated:

- A. *He will try to perform documented reviews of the records periodically.*
- B. *Deposits are now being made weekly.*
- C. *He is not going to implement the recommendation. He indicated the County Commission has given him the authority to handle the fund this way. If the County Commission tells him to*

change, he will. The County Commission indicated they will discuss this matter with the Sheriff.

D. He is not going to implement the recommendation. Due to the small number of prisoners, it is not feasible to open a checking account.

E. At this point in time, he is not going to implement the recommendation.

AUDITOR'S COMMENT

C&E. As previously noted, the Sheriff is not authorized to maintain these monies outside the county treasury.

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| 7. General Fixed Assets |
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Physical inventories have not been conducted on an annual basis. The last attempt to conduct a physical inventory was in November 2000. County Clerk office personnel indicated a spreadsheet was provided to all officials to document a physical inventory. However, responses were received from only four officials. There is no evidence that the County Clerk followed up with officials who did not perform and return physical inventories.

The County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, each county official or their designee is responsible for performing periodic inventories and inspections.

Adequate general fixed asset records are necessary to meet statutory requirements; secure better internal control over, and to safeguard county assets; and provide a basis for determining proper insurance coverage required on county property.

Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. All remaining property not inventoried by a particular department shall be inventoried by the County Clerk. The reports required by this section shall be signed by the County Clerk.

WE RECOMMEND the County Commission establish a written policy related to handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for handling of asset disposition, and any other concerns associated with county property.

AUDITEE'S RESPONSE

The County Commission indicated they will try to implement a policy regarding fixed assets in 2004.

Follow-Up on Prior Audit Findings

GRUNDY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Grundy County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1998. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budgetary Practices and Published Financial Statements

- A. Budgets were not prepared for some funds.
- B. Actual expenditures exceeded budgeted amounts for some funds.
- C. The annual published financial statements of the county did not include the financial activity of some county funds as required.

Recommendation:

The County Commission:

- A. Prepare and/or obtain budgets for all county funds as required by state law.
- B. Keep expenditures within the budgetary limits. If necessary, extenuating circumstances should be fully documented and budgets properly revised and filed with the State Auditor's office.
- C. Ensure financial information for all county funds is properly reported in the published financial statements.

Status:

A&C. Not implemented. See MAR finding number 2.

- B. Not implemented. Actual expenditures exceeded budgeted amounts of the 911 Fund by \$6,777 for the year ended December 31, 2002, and of the Law Library Fund by \$2,282 and \$1,983 for the year ended December 31, 2002 and 2001, respectively. See MAR finding number 2 for related concerns.

2. Personnel Policies and Public Administrator's Compensation

- A. The county's overtime and compensatory time policies did not address current practices of the ambulance service.
- B. The monthly payroll sheet prepared by the Sheriff's Office and used to prepare payroll checks and timesheets prepared by Sheriff's department employees subsequently submitted to the County Clerk were not reconciled.
- C. No written legal opinion was obtained to support the appropriateness of a change in the Public Administrator's salary and the salary commission documentation regarding why the decision was made was inadequate.

Recommendation:

The County Commission:

- A. Establish a formal written policy regarding overtime of ambulance department employees.
- B. Work with the County Clerk and Sheriff to implement procedures to compare various payroll records and ensure the accuracy of overtime payments.
- C. Consult with the Prosecuting Attorney regarding the propriety of the Public Administrator's salary. Salary Commission minutes should clearly document all decisions made, include calculations of the salary amounts, and include written opinions from the Prosecuting Attorney as applicable.

Status:

- A. Implemented. A separate policy was not established; however, ambulance department employees follow the county's personnel policy. As a result, a separate written policy is no longer required.
- B. Implemented. Detailed time sheets and the monthly payroll sheets are submitted to the County Clerk's office and are reconciled prior to issuance of the payroll checks.
- C. Not implemented. A written opinion was not obtained from the Prosecuting Attorney. The County Commission responded in the prior report that they had discussed this situation with the Prosecuting Attorney at the time and obtained his advice. The County Commission also responded that they did not plan to pursue this particular issue further. Effective January 2001, the Public Administrator elected to change from a fee basis to a salary basis, which is established based upon the number of open letters. As a result, this condition is no longer applicable.

3. Property Tax System and Computer Controls

- A. The Ex Officio Collector made changes in the computer system for additions and abatements when the County Clerk's Office was unavailable to make the changes. There was no independent and subsequent comparison of approved court-ordered additions and abatements to actual changes to the property tax data or to amounts reflected on the EOC's annual settlement.
- B. Passwords were used, but were not changed on a periodic basis to ensure confidentiality.

Recommendation:

The County Commission:

- A. Establish controls so that the EOC does not enter abatements or additions into the property tax system or ensure that independent, subsequent comparison of these changes to court orders is performed. Consideration should be given to generating periodic reports of changes to files and requiring independent reviews of the reports to be performed and documented.
- B. Ensure that passwords are changed periodically.

Status:

- A. Not implemented. See MAR finding number 4.
- B. Not implemented. See MAR finding number 4 for related concerns.

4. Tax Increment Financing and Property Tax Collections

- A. The Trenton Township Collector withheld collection and assessment fees from the payments in lieu of taxes (PILOT) related to the municipal tax increment financing (TIF) project.
- B. The misapplication of a tax payment resulted in some political subdivisions being over or under paid. However, due to the erroneous handling of these transactions and the change in ownership of properties incorrectly shown as paid, the county apparently failed to collect the back taxes, which were due to the various political subdivisions levying taxes within the Trenton Township. In addition, because of the erroneous handling of these transactions, the sale of the properties, and the various parties involved, it appeared the county's actions to resolve this situation was not satisfactory and various legal questions might have existed.

Recommendation:

The County Commission:

- A. Review the practice of retaining fees on the collection of PILOT monies with the County Prosecuting Attorney to ensure monies are being properly distributed to the TIF project fund.
- B. Work with the Ex Officio County Collector, the Prosecuting Attorney, and the Trenton Township Collector to resolve any legal questions regarding this issue. In the future, the Ex Officio County Collector should not accept monies and show properties as paid without first obtaining the proper paperwork and resolving any questions.

Status:

- A. Not implemented. No further action was taken by the County Commission to resolve this issue; however, the TIF project has been completed and payments are no longer collected related to the TIF. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Not implemented. No further action was taken on this matter. We are not aware of any additional instances where monies were accepted without first obtaining the proper paperwork. Although not repeated in the current MAR, our recommendation remains as stated above.

5. Public Administrator

- A. Annual settlements were not filed for some cases.
- B&C. The Public Administrator did not properly monitor, control, and document the account balances and transactions of wards. Unnecessary expenditures were incurred and documentation was not adequate to support cash given to ward, reimbursements to the Public Administrator, and some other expenditures. For many expenditures the settlement provided little or no description of the purpose. For one case reviewed the ward received cash back from a deposit. The Public Administrator did not always properly prepare bank reconciliations.
- D. The Public Administrator submitted mileage reimbursement claims to the county for miles traveled related to wards assigned to him instead of assessing these costs to the specific case to which they pertained.
- E. The Public Administrator failed to report to the county all fees he received.

Recommendation:

- A. The Associate Circuit Judge establish procedures to adequately monitor the timely filing of annual settlements.
- B&C. The Associate Circuit Judge establish formal settlement review procedures and ensure that all problematic transactions are formally followed up on with the Public Administrator. Any requests for documentation should be documented. In addition, the Associate Circuit Judge needs to formally establish the frequency and amounts of spending monies to be provided to each ward and ensure the Public Administrator is adhering to the court's orders. The Associate Circuit Judge should consider requiring reimbursement by the Public Administrator to the various wards' accounts for any unnecessary costs incurred (such as bank service charges) and/or for any questionable disbursements for which adequate support is not produced for the court.

The Associate Circuit Judge require the Public Administrator:

- 1. To better monitor wards' assets and bring concerns to the court's attention in a timely manner. In addition, the Public Administrator needs to ensure that public assistance programs are enrolled in when appropriate and that the ward is utilizing them.
- 2&3. To make allowance payments to the wards in accordance with the court's orders by check payable directly to the ward and obtain signed receipts to document receipt of the monies by the ward. In addition, the court needs to require checks to be written for the amount of purchase only and require adequate documentation (such as paid receipts or invoices) to be filed or made available to support all settlement transactions.
- 4. To prepare complete bank reconciliations monthly and monitor the account balances to avoid unnecessary bank charges.
- D. The Associate Circuit Judge work with the Public Administrator and County Commission to reconsider the appropriateness of assessing mileage costs to the county's General Revenue Fund in those cases where a ward's assets are sufficient to bear the costs.
- E. The Public Administrator report all fees received to the County Clerk.

Status:

- A. Implemented. The Probate Clerk tracks due dates of annual settlements and notifies the Public Administrator of the annual settlement due date.

- B&C. Implemented. The Probate Clerk and the Associate Circuit Judge have established procedures to review the annual settlements. The Associate Circuit Judge indicated that prior to the former Public Administrator's death, hearings were held on three cases to address questionable expenses and \$4,740 was received against the Public Administrator's bond for one case. The current Public Administrator reviews public assistance programs for wards. Monies given to the ward are in the form of a check. The Associate Circuit Judge requires adequate supporting documentation for disbursements to be filed with the annual settlement and for checks to be written only for the amount of purchase. The Public Administrator prepares monthly bank reconciliations.
- D. Not implemented. All mileage costs are paid from the General Revenue Fund. A five percent fee is currently charged to all cases when feasible, which is turned over to the General Revenue Fund to help absorb the Public Administrator's salary and mileage costs. Although not repeated in the current MAR, our recommendation remains as stated above.
- E. This recommendation is no longer applicable. Effective 2001, the current Public Administrator elected to be paid on a salary basis and does not receive any fees. A five percent fee based upon disbursements reported on the annual settlement is paid to the General Revenue Fund from each case if there are sufficient assets.

6. Prosecuting Attorney

- A. A system to account for all bad checks submitted to the office for collection and their disposition had not been established.
- B.1. Receipt slips were only issued for bad check and/or court-ordered restitution monies when payments were made in cash or when requested by the payor.
2. Monies received were not always recorded and processed in a timely manner.
- C. An open items listing had not been prepared since the Prosecuting Attorney took office.

Recommendation:

The Prosecuting Attorney:

- A. Establish a system to account for all bad checks submitted to his office and their disposition.
- B.1. Issue receipt slips for all monies received.
2. Record and deposit receipts daily or when accumulated receipts exceed \$100.

- C. Prepare a monthly open items listing and reconcile it to the cash balance.

Status:

A&

- B.2. Not implemented. See MAR finding number 5.

- B.1. Implemented.

- C. Partially implemented. Monthly open items listings are prepared and compared to the bank statement balance; however, unidentified differences are not resolved. See MAR finding number 5.

7. Assessor's Accounting Controls and Procedures

- A. Receipt slips were not issued for some monies received; receipt slips issued are not always complete regarding method of payment; and some receipt slips could not be located.
- B. Follow-up on unpaid billings was not routinely conducted.

Recommendation:

The County Assessor:

- A. Issue prenumbered receipt slips for all monies received, fully document each transaction, and account for the numerical sequence of all receipt slips.
- B. Follow-up on unpaid billings periodically.

Status:

- A. Not implemented. Receipt slips were issued by the County Assessor only upon request. In addition, receipt slips were not prenumbered and a copy was not retained. Upon bringing this issue to the current County Assessor's attention she indicated she will implement the recommendation. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented.

8. Health Center

- A. Actual expenditures exceeded budget amounts.
- B. The Health Center Board did not issue receipt slips.

Recommendation:

The Health Center Board:

- A. Keep expenditures within the budgetary limits.
- B. Issue prenumbered receipt slips for all monies received.

Status:

- A. Not implemented. Actual expenditures exceeded budgeted amounts by \$10,129 for the year ended December 31, 2001. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented.

9. Families and Friends of the Developmentally Disabled Board

In 1998 the Families and Friends of the Developmentally Disabled Board paid a bonus of \$200 to the Director.

Recommendation:

The Families and Friends of the Developmentally Disabled Board discontinue the practice of paying bonuses to the Director.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

GRUNDY COUNTY, MISSOURI HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organized in 1841, the county of Grundy was named after Felix Grundy, a U.S. Senator from Tennessee. Grundy County is a township-organized, third-class county and is part of the Third Judicial Circuit. The county seat is Trenton

Grundy County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 198 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 11,959 in 1980 and 10,432 in 2000. The following chart shows the county's change in assessed valuation since 1980:

| | Year Ended December 31, | | | | | |
|------------------------|-------------------------|------|------|------|-------|--------|
| | 2002 | 2001 | 2000 | 1999 | 1985* | 1980** |
| | (in millions) | | | | | |
| Real estate | \$ 50.2 | 48.9 | 47.7 | 46.8 | 40.9 | 24.6 |
| Personal property | 27.9 | 22.7 | 22.2 | 20.3 | 10.8 | 9.1 |
| Railroad and utilities | 10.4 | 11.5 | 11.2 | 11.1 | 5.7 | 6.4 |
| Total | \$ 88.5 | 83.1 | 81.1 | 78.2 | 57.4 | 40.1 |

* First year of statewide reassessment

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Grundy County's property tax rates per \$100 of assessed valuations were as follows:

| | Year Ended December 31, | | | |
|---------------------------|-------------------------|-------|-------|-------|
| | 2002 | 2001 | 2000 | 1999 |
| General Revenue Fund | \$.0871 | .0871 | .1200 | .1200 |
| Health Center Fund | .3000 | .3000 | .3000 | .1500 |
| Senate Bill 40 Board Fund | .1000 | .1000 | .1000 | .1000 |

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

| | Year Ended February 28 (29), | | | |
|--------------------------------|------------------------------|-----------|-----------|-----------|
| | 2003 | 2002 | 2001 | 2000 |
| State of Missouri | \$ 27,251 | 25,672 | 24,261 | 24,163 |
| General Revenue Fund | 78,992 | 75,366 | 95,176 | 94,313 |
| Special Road and Bridge Fund | 41,296 | 40,278 | 38,840 | 29,381 |
| Township Road and Bridge | 148,399 | 140,196 | 137,316 | 146,640 |
| Assessment Fund | 62,173 | 58,919 | 55,345 | 53,653 |
| Health Center Fund | 264,632 | 248,060 | 230,409 | 118,499 |
| Senate Bill 40 Board Fund | 88,309 | 83,002 | 78,408 | 78,200 |
| School districts | 3,569,493 | 3,370,368 | 3,135,897 | 3,040,740 |
| Library district | 178,200 | 167,392 | 157,902 | 155,637 |
| Fire protection districts | 109,652 | 104,222 | 101,550 | 105,084 |
| North Central Missouri College | 255,398 | 236,537 | 221,621 | 219,951 |
| Nursing Home | 136,689 | 128,916 | 121,779 | 121,160 |
| Townships | 333,459 | 309,829 | 291,788 | 283,640 |
| Township Road Bond | 5,584 | 4,548 | 6,047 | 12,791 |
| Special Road District | 8,521 | 9,215 | 7,552 | 8,702 |
| Cities | 520,591 | 485,099 | 449,868 | 446,311 |
| County Clerk | 652 | 773 | 832 | 540 |
| County Employees' Retirement | 20,818 | 17,963 | 17,361 | 18,827 |
| Commissions and fees: | | | | |
| Township Collectors | 48,846 | 46,405 | 44,426 | 43,308 |
| General Revenue Fund | 48,757 | 45,841 | 44,154 | 43,650 |
| Total | \$ 5,947,712 | 5,598,601 | 5,260,532 | 5,045,190 |

Percentages of current taxes collected were as follows:

| | Year Ended February 28 (29), | | | |
|------------------------|------------------------------|-------|-------|--------|
| | 2003 | 2002 | 2001 | 2000 |
| Real estate | 94.3 | 94.0 | 94.0 | 94.7 % |
| Personal property | 93.1 | 89.6 | 91.6 | 93.6 |
| Railroad and utilities | 100.0 | 100.0 | 100.0 | 100.0 |

Grundy County also has the following sales taxes; rates are per \$1 of retail sales:

| | Rate | Expiration Date | Required Property Tax Reduction |
|-------------------|----------|-----------------|---------------------------------|
| General | \$.0050 | None | 50 % |
| General/ambulance | .0050 | None | None |

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

| Officeholder | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|--------|--------|--------|--------|--------|
| County-Paid Officials: | | | | | |
| Kenneth R. Roberts, Presiding Commissioner | \$ | 24,440 | 24,440 | 24,440 | 24,440 |
| H. L. (Bud) Cox, Associate Commissioner | | 22,440 | 22,440 | 17,500 | 17,500 |
| Gene Wyant, Associate Commissioner | | 22,440 | 22,440 | | |
| Paul D. Jackson, Associate Commissioner | | | | 17,500 | 17,500 |
| L.D. Gibson, County Clerk | | 34,000 | 34,000 | 34,000 | 34,000 |
| Christopher P. Raynes, Prosecuting Attorney | | 41,000 | 41,000 | 41,000 | 41,000 |
| Greg Coon, Sheriff | | 39,000 | 39,000 | 35,000 | 35,000 |
| Tom Eads, County Coroner | | 9,500 | 9,500 | 6,000 | 6,000 |
| Joyce Tuttle, Public Administrator(1) | | 20,000 | 20,000 | | |
| Gilbert J. Trump, Public Administrator (2) | | | | 14,000 | 14,350 |
| Colleen Kidd, Treasurer and Ex Officio County Collector (3), year ended March 31, | 34,000 | 34,000 | 16,403 | | |
| Helen Frisbee, Treasurer and Ex Officio County Collector (4), year ended March 31, | | | 9,449 | 26,512 | |
| Andrea Steinhoff, County Assessor (5), year ended August 31, | | 34,900 | 34,900 | 34,900 | 5,892 |
| Joseph F. Ferris, County Assessor (6), year ended August 31, | | | | | 29,008 |
| State-Paid Officials: | | | | | |
| Beatrice Shaw, Circuit Clerk and Ex Officio Recorder of Deed: | | 47,300 | 47,300 | 46,127 | 44,292 |
| Steven D. Hudson, Associate Circuit Judge | | 96,000 | 96,000 | 97,382 | 87,235 |

(1) Effective January 2001, the Public Administrator elected to change from a fee basis to a salary basis.

(2) Includes fees received from probate cases.

(3) Appointed August 25, 2000.

(4) Resigned effective August 8, 2000.

(5) Includes \$900 annual compensation received from the state in 2002, 2001, and 2000; appointed July 7, 1999.

(6) Includes \$675 compensation from the state.